

AMENDED IN ASSEMBLY MAY 17, 2012

AMENDED IN ASSEMBLY MAY 7, 2012

AMENDED IN ASSEMBLY APRIL 26, 2012

AMENDED IN ASSEMBLY APRIL 18, 2012

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 1938**

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**Introduced by Assembly Member Williams**

February 22, 2012

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An act to amend Sections 798.17 and 798.39.5 of the Civil Code, relating to mobilehomes.

### **LEGISLATIVE COUNSEL’S DIGEST**

AB 1938, as amended, Williams. Mobilehomes: rental agreements.

The Mobilehome Residency Law governs the terms and conditions of residency in mobilehome parks. Among other things, the Mobilehome Residency Law exempts a rental agreement that satisfies specified criteria from any ordinance, rule, regulation, or initiative measure adopted by a local governmental entity that establishes a maximum amount a landlord may charge a tenant for rent. In order for the exemption to apply, existing law requires the rental agreement to, among other things, enable the homeowner to void the rental agreement by notifying management in writing within 72 hours of the homeowner’s execution of the agreement.

This bill would instead require that the rental agreement permit the homeowner to void the rental agreement by notifying management in

writing within 72 hours of the homeowner returning the signed rental agreement to management, if the homeowner is provided a copy of the signed rental agreement at the time the signed rental agreement is returned to management. The bill would also require that the rental agreement permit the homeowner to void the rental agreement by notifying management in writing within 72 hours of the homeowner receiving an executed copy of the rental agreement, as specified, if the homeowner is not provided with a copy of the signed rental agreement at the time the homeowner returns the signed rental agreement to management.

Existing law prohibits the management of a mobilehome park from charging or imposing upon a homeowner any fee or increase in rent which reflects the cost to the management of certain fines, fees, or damages assessed or awarded by a court against the management for a violation of the Mobilehome Residency Law.

This bill would extend the above provisions to fines, fees, or damages assessed or awarded by the court or an enforcement agency against the management for a violation of specified laws pertaining to mobilehome parks. *The bill would also clarify that these provisions do not apply to violations for which the registered owner of the mobilehome is initially responsible, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 798.17 of the Civil Code is amended to  
2     read:  
3     798.17. (a) (1) Rental agreements meeting the criteria of  
4     subdivision (b) shall be exempt from any ordinance, rule,  
5     regulation, or initiative measure adopted by any local governmental  
6     entity which establishes a maximum amount that a landlord may  
7     charge a tenant for rent. The terms of a rental agreement meeting  
8     the criteria of subdivision (b) shall prevail over conflicting  
9     provisions of an ordinance, rule, regulation, or initiative measure  
10    limiting or restricting rents in mobilehome parks, only during the  
11    term of the rental agreement or one or more uninterrupted,  
12    continuous extensions thereof. If the rental agreement is not  
13    extended and no new rental agreement in excess of 12 months'  
14    duration is entered into, then the last rental rate charged for the

1 space under the previous rental agreement shall be the base rent  
2 for purposes of applicable provisions of law concerning rent  
3 regulation, if any.

4 (2) In the first sentence of the first paragraph of a rental  
5 agreement entered into on or after January 1, 1993, pursuant to  
6 this section, there shall be set forth a provision in at least 12-point  
7 boldface type if the rental agreement is printed, or in capital letters  
8 if the rental agreement is typed, giving notice to the homeowner  
9 that the rental agreement will be exempt from any ordinance, rule,  
10 regulation, or initiative measure adopted by any local governmental  
11 entity which establishes a maximum amount that a landlord may  
12 charge a tenant for rent.

13 (b) Rental agreements subject to this section shall meet all of  
14 the following criteria:

15 (1) The rental agreement shall be in excess of 12 months'  
16 duration.

17 (2) The rental agreement shall be entered into between the  
18 management and a homeowner for the personal and actual  
19 residence of the homeowner.

20 (3) The homeowner shall have at least 30 days from the date  
21 the rental agreement is first offered to the homeowner to accept  
22 or reject the rental agreement.

23 (4) The homeowner who signs a rental agreement pursuant to  
24 this section may void the rental agreement by notifying  
25 management in writing within 72 hours of returning the signed  
26 rental agreement to management. This paragraph shall only apply  
27 if management provides the homeowner a copy of the signed rental  
28 agreement at the time the homeowner returns the signed rental  
29 agreement.

30 (5) The homeowner who signs a rental agreement pursuant to  
31 this section may void the agreement within 72 hours of receiving  
32 an executed copy of the rental agreement pursuant to Section  
33 798.16. This paragraph shall only apply if management does not  
34 provide the homeowner with a copy of the signed rental agreement  
35 at the time the homeowner returns the signed rental agreement.

36 (c) If, pursuant to paragraph (3) or (4) of subdivision (b), the  
37 homeowner rejects the offered rental agreement or rescinds a signed  
38 rental agreement, the homeowner shall be entitled to instead accept,  
39 pursuant to Section 798.18, a rental agreement for a term of 12  
40 months or less from the date the offered rental agreement was to

1 have begun. In the event the homeowner elects to have a rental  
2 agreement for a term of 12 months or less, including a  
3 month-to-month rental agreement, the rental agreement shall  
4 contain the same rental charges, terms, and conditions as the rental  
5 agreement offered pursuant to subdivision (b), during the first 12  
6 months, except for options, if any, contained in the offered rental  
7 agreement to extend or renew the rental agreement.

8 (d) Nothing in subdivision (c) shall be construed to prohibit the  
9 management from offering gifts of value, other than rental rate  
10 reductions, to homeowners who execute a rental agreement  
11 pursuant to this section.

12 (e) With respect to any space in a mobilehome park that is  
13 exempt under subdivision (a) from any ordinance, rule, regulation,  
14 or initiative measure adopted by any local governmental entity  
15 that establishes a maximum amount that a landlord may charge a  
16 homeowner for rent, and notwithstanding any ordinance, rule,  
17 regulation, or initiative measure, a mobilehome park shall not be  
18 assessed any fee or other exaction for a park space that is exempt  
19 under subdivision (a) imposed pursuant to any ordinance, rule,  
20 regulation, or initiative measure. No other fee or other exaction  
21 shall be imposed for a park space that is exempt under subdivision  
22 (a) for the purpose of defraying the cost of administration thereof.

23 (f) At the time the rental agreement is first offered to the  
24 homeowner, the management shall provide written notice to the  
25 homeowner of the homeowner's right (1) to have at least 30 days  
26 to inspect the rental agreement, and (2) to void the rental agreement  
27 by notifying management in writing within 72 hours of receipt of  
28 an executed copy of the rental agreement. The failure of the  
29 management to provide the written notice shall make the rental  
30 agreement voidable at the homeowner's option upon the  
31 homeowner's discovery of the failure. The receipt of any written  
32 notice provided pursuant to this subdivision shall be acknowledged  
33 in writing by the homeowner.

34 (g) No rental agreement subject to subdivision (a) that is first  
35 entered into on or after January 1, 1993, shall have a provision  
36 which authorizes automatic extension or renewal of, or  
37 automatically extends or renews, the rental agreement for a period  
38 beyond the initial stated term at the sole option of either the  
39 management or the homeowner.

1 (h) This section does not apply to or supersede other provisions  
2 of this part or other state law.

3 SEC. 2. Section 798.39.5 of the Civil Code is amended to read:

4 798.39.5. (a) (1) The management shall not charge or impose  
5 upon a homeowner any fee or increase in rent which reflects the  
6 cost to the management of any fine, forfeiture, penalty, money  
7 damages, or fee assessed or awarded by a court of law or an  
8 enforcement agency against the management for a violation of this  
9 chapter or Part 2.1 (commencing with Section 18200) of Division  
10 13 of the Health and Safety Code, including any attorney's fees  
11 and costs incurred by the management in connection therewith.

12 (2) *This section shall not apply to violations for which the*  
13 *registered owner of the mobilehome is initially responsible*  
14 *pursuant to subdivision (b) of Section 18420 of the Health and*  
15 *Safety Code.*

16 (b) A court shall consider the remoteness in time of the  
17 assessment or award against the management of any fine, forfeiture,  
18 penalty, money damages, or fee in determining whether the  
19 homeowner has met the burden of proof that the fee or increase in  
20 rent is in violation of this section.

21 (c) Any provision in a rental agreement entered into, renewed,  
22 or modified on or after January 1, 1995, that permits a fee or  
23 increase in rent that reflects the cost to the management of any  
24 money damages awarded against the management for a violation  
25 of this chapter shall be void.